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Report Highlights:

Utilization of vegetable protein meals will increase in the Polish livestock sector as a result of bans on imports of meat and bone meal due to BSE in Europe. Soybean meal imports and use will likely grow over 10 percent. Although these imports will be primarily from EU countries due to tariffs preferences, a significant part of meals are U.S. soybeans crushed in European plants. The first GMO soybean variety has been approved for use in Poland. However, some food processing firms are marketing products as GMO-free in order to differentiate their products.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Fall 2000 rapeseed plantings were only 3 percent larger than in 1999 due to expectations of relatively low (when compared with wheat) rapeseed prices. Assuming little winter losses and somewhat increased spring plantings, total harvested area will be around 3 percent larger than last year. Favorable weather conditions last winter, supported good plant growth and little damage from frost should help increase yields. It is expected that the 2001 crop will be 1.04 million tons or, 8 percent above the 2000 crop.

Despite an expansion of domestic crushing capacity, now around 1.1 million tons annually, the total crush will be only 0.9 million tons. Financial difficulties in one company resulted in the temporary closing of its crushing and processing facilities. Oilseed imports will be limited in MY 2001/02 because of sufficient domestic supplies and tariffs which will discourage imports, particularly of rapeseed. On the export side, production will cover domestic needs, but leave little for the export market. Rapeseed exports are estimated at 120,000 tons. To support domestic rapeseed prices, the Government of Poland (GOP) in MY 2000/01, for the first time introduced rapeseed export subsidies. These subsidies are in accordance with Poland's WTO obligations. Although current MY subsidized exports were only 30,000 tons due to limited domestic production, in the future this program may play a role in supporting rapeseed exports.

An expected increase in poultry production and some recovery in the livestock sector should increase demand for compound feeds and protein meal used for the swine and poultry industries. Assuming additional increase in demand due to restrictions in meat and bone meal (MBM) imports, soybean meal imports are expected to be 1.1 million tons in MY 2001/02.

A small increase is expected in consumption of vegetable fats in Poland, which currently is 18 kg per capita, close to EU average consumption levels. However, concern consumer concern with GMOs as well as labeling requirements may discourage some food processors from using soybean oil which will limit imports. Rapeseed oil and sunflower oil imports are expected to replace some of the soybean oil imports.

STATUS OF GMO REGULATIONS: In November 2000, "Round-Up Ready" soybeans became the first GMO variety to be registered in Poland for commercial distribution and processing for feed and food. The registration, however does not permit this soybean variety to be used for planting. Use of such soybeans for food or as an ingredient in food products requires an additional permit from the Minister of Environment which is with major input and evaluation by the Chief Health Inspector. The current regulations on biotech foods, published on October 8, 1999 requires an official permit for use of any GMO materials. Since April 2000, products containing GMOs must be labeled accordingly. Polish regulations currently do not permit any threshold level, however, it is expected that new GMO regulation will be introduced with threshold levels. Although Poland does not cultivate GMO rapeseed varieties commercially, and imports only small amounts of soybeans, imports of soybean meal and soybean oil are relatively large and GMO regulations may affect this trade. However, the approval of "Round-Up Ready" soybeans registration opens business possibilities which will be relatively easy in the case of feed but will still present some difficulties if used for food processing.

Total Oilseeds

Production

Total oilseed production (almost exclusively rapeseed) is forecast to increase approximately 8 percent in 2001, which will almost fulfill current domestic crushing capacity.

Relatively low prices paid to farmers for rapeseed during the last two years combined with more attractive prices for grains resulted in a relatively small planted rapeseed area. Last fall, rapeseed was sown on 380,000 hectares; somewhat more than the year earlier but more than 30 percent less than the early 1990s. Estimated spring, rapeseed sowing will be 20 percent more than last year's 65,000 hectares. Mild winter conditions led to almost no winter losses and, as a result, total rapeseed harvested area in 2001 will be 3% larger than in 2000. Good moisture last fall allowed timely planting of winter rapeseed and good growth. Favorable winter conditions should have a very positive effect on 2001 rapeseed yields.

Traditionally, Poland grew only winter varieties. However, significant winter losses in 1996 and 1997 encouraged farmers to increase spring rapeseed plantings. Currently, spring rapeseed accounts for 15-20% of the total crop.

Average Producer Prices for Rapeseed and Wheat, zlotys per metric ton.

	Jan.-Dec.1996	Jan.-Dec.1997	Jan.-Dec.1998	Jan-Dec.1999	July-Sep.2000
Rapeseed	854.5	865.4	895.9	642.8	813.5
Wheat	571.9	508.5	468.3	430.1	500.8
Rapeseed/Wheat Ratio	1.49	1.70	1.91	1.49	1.62

Note that the 1999 and 2000 wheat prices do not include GOP price support payments made directly to farmers which, if included, would make the price relationship even more unfavorable for rapeseed, 1.20 in 1999 and 1.46 in 2000. The approximate exchange rate for July - September 2000 was USD1 = zlotys 4.2

Although rapeseed prices increased about 30 percent from July-September 2000, the time when producers are making planting decisions, these prices did not encourage farmers to switch production from wheat to rapeseed.

The Polish oilseed crushing industry has done little to encourage production of rapeseed or to develop large production on larger farms. Relatively low tariffs for vegetable oil and the absence of any tariff for soybean meal imported from the European Union discourage any increase in oilseed production.

More than a year ago, the French consulting organization, AGROPOL (the Association for the International Development of Agriculture, Oilseed Processing and Pulses) in conjunction with the Poznan Agricultural Chamber developed an EU-funded project to encourage cooperation between rapeseed producers, scientists and crushers in the Poznan region. This project along with other activities, resulted in the creation of the National Rapeseed Producers Association in January 2000. The group is mainly involved in lobbying efforts to get some tax relief. One of their efforts has focused on using rapeseed for fuel.

In 2000, rapeseed harvested area declined by 20 percent and production, 15 percent. Crop results were originally expected to be much lower due to the severe spring and summer drought. However, better conditions in the largest producing areas more than offset yield losses in other regions.

Consumption

Total oilseed crushing did not increase significantly in 2000. Rapeseed crushing is currently around 850,000 tons annually, although crushing capacity could be much larger. Last year's relatively small crop fulfilled current domestic crushing demand. It is expected that crushing will grow slightly in my 2001. Assuming a moderate increase in crop production and a small increase in domestic seed processing, the amount of rapeseed remaining for export will be rather small, slightly over 100,000 tons. Historically, rapeseed exports were well over 500,000 tons.

The ADM crushing facility in Szamotuly offset reduction in crushing capabilities in other plants. The Szamotuly plant has expanded its crushing capacity to 250,000 tons annually compared with 150,000 tons last year. The increase was due primarily to facility improvements. Financial problems of Schooner Capital Corporation resulted in temporary closing of their plants in Brzeg and Bodaczow. However, part of Brzeg crushing capacities was leased by other companies for crushing activities.

Two plants, in Kruszwica and Gdansk, have crushed soybeans in the past. However, Poland has imported very little soybeans during the past several years. Now that the Gdansk plant liquidated its crushing section, the Kruszwica plant is the only one with experience crushing soybeans in Poland. The Polish vegetable fats industry focuses primarily on vegetable oil production. Since soybean crushing yields less oil than rapeseed, soybeans are less attractive to the industry. However, assuming large demand for soybean meal in Poland, the potential exists for some crushers to switch to soybeans to supply meal to poultry and hog producers. In recent years around 15,000 tons of imported sunflower seeds have been crushed annually in Poland.

Approximately 5,000 tons of soybeans were used annually as a direct feed component in the mid-1990s. During last 3 years, however, this use was practically non-existent. Poland has an existing extrusion capacity of about 150 tons per day for full-fat soybean meal. Lack of knowledge and information to the benefits and real value of full-fat soybean meal among livestock producers limits demand. Sufficient demand exists to support imports of small quantities of full fat soy meal from Western Europe. The American Soybean Association can play a role in stimulating demand for soybeans used for feed in Poland by supplying additional technical information on the benefits of full fat soybean meal to potential users, livestock producers and feed industry. The recent restrictions on using meat and bone meal due to BSE crises could stimulate interest in this area.

Trade

A relatively moderate-sized crop and some expected improvement in domestic crushing levels will limit rapeseed exports in MY 2001/02. Exports should reach 120,000 tons. At the same time, Poland may import small amounts of rapeseed, around 30,000 tons, from countries which have preferential tariffs (EU and CEFTA). MY 2000/01 rapeseed imports are rather small because of relatively high tariff protection and limited availability in those countries with preferential tariffs. Around 10,000 tons were imported in current MY2000/2001, early in the season from Hungary. Traders do not foresee further imports during current MY.

In MY 2000/01, Poland introduced an export subsidy (see policy section below) to encourage the domestic oil

industry to pay farmers more for the local rapeseed. Around 30,000 tons of rapeseed has been exported, only around 10% of the amount exported year ago, when seed production was higher but prices paid by the industry much lower.

Note: Figures in Trade Matrix tables are for calendar years (CY). No reliable data are available for marketing year imports. The CY 1999 trade table is based on unpublished data from the Main Statistical Office. Figures in the CY 2000 trade table are unofficial CY trade data.

Stocks

The small rapeseed crops during the last two years have resulted in negligible stocks. Stocks are expected to increase only slightly this year.

Policy

Poland has not subsidized oilseed exports, production or processing in the past, although relatively high import tariffs on rapeseed and rapeseed oil exist. Nevertheless, given the current low prices, the GOP introduced export subsidies for rapeseed for the 2000 crop. The State budget provided through the Agricultural Market Agency (ARR) zlotys 3.87 millions (USD 0.9 million) to subsidize close to 30,000 tons of rapeseed exports. The average subsidy was around zlotys 143 (USD 33) per ton of rapeseed. Poland had a WTO export subsidy ceiling for rapeseed (HS code 1205) in the year 2000 of 341,500 tons. Expenditures could not exceed \$12.9 million under its WTO commitments. If subsidization continues and is expanded in the future on a larger scale, may increase currently small local rapeseed production.

Polish tariffs on imported soybeans are relatively low compared to tariffs on rapeseed, refined vegetable oils and margarine. Although this should encourage soybean imports, little experience in crushing soybeans and the industry's preference for crushing high oil content seeds to maximize production of vegetable oil inhibit soybean crushing.

The effective tariff on imported rapeseed was increased to the WTO bound rate in August 1999. At the same time, a tariff rate quota for rapeseed was introduced with an in-quota rate of 15 percent. The tariff for rapeseed in 2001 is 27 percent and a 29,235 ton quota with in-quota tariff of 15 percent is available for CY 2001.

In 2001, the tariff for soybeans, linseed, sunflower seeds, other oil seeds, category 1207, except poppy seeds and groat and flour from oil seed other than mustard imported from EU has been eliminated due to the trade liberalization agreement with the EU in place since January 2000. Within the same agreement Poland announced a 32,000 tons rapeseed quota for the EU with a 15 percent tariff. Also based on agreements with CEFTA, Lithuania and Latvia almost all oilseed categories became tariff free in 2001.

Following is a list of basic tariffs for oilseeds, effective since January 2001:

Tariff No.	Description	MFN Countries	EU	DEV Count.	LDC Count.
1201.00	Soybeans 1/ 2/	2.5	0	2.0	0
1202.10	Peanuts in shell 1/,2/	0	0	0	0
1202.20	shelled peanuts 1/,2/	0	0	0	0
1204.00	Linseed 1/,2/	15	0	10.5	0
1205.00	Rapeseed 1/ 2/	27	27	10.5	0
1206.00	Sunflower seeds 1/,2/	9	0	6.3	0
1206.00	Sunflower seeds in un- striped shells 1/,2/	9	0	6.3	0
1207	Other oilseeds 1/,2/	0-15	0	0-10.5	0
1208	Groat&flour fm oil seed other than mustard:				
1208.10	fm soybeans 1/ 2/	9	0	6.3	0
1208.90	fm other 1/ 2/	9	0	0	0

1/ Under the Central European Free Trade Agreement (CEFTA) all categories have a zero tariff if imported from CEFTA countries; exceptions are other than for sowing sunflower seeds imported from Slovenia or Romania do not have tariff reduction; other than for sowing sunflower seeds imported from Bulgaria have a 4.5 percent tariff; rapeseed imported from Czech and Slovak republics has a 15 percent tariff; and rapeseed imported from Slovenia and Bulgaria has no tariff reduction.

2/ Based on a bilateral agreement with Lithuania and Latvia, imports of these categories tariffs are zero.

Marketing

Ragweed, among other common weed seeds, is on the Polish quarantine list which severely restricts imports of U.S. soybeans. At the end of 2000, the Minister of Environment approved (decision no 14/2000, dated Nov.17,2000) registration of "Round-Up Ready" soybeans for use in Poland. This is the first genetically modified organism (GMO) variety approved for use in Poland. The approval allows the import, distribution and processing for feed and food of this variety, except for planting. Although, Poland does not import significant quantities of soybeans, the approval will allow the feed industry to more easily comply with current regulations. The approval clearly states that food products or food ingredients from such soybeans require separate permits from the Ministry of Environment, based on an evaluation by Poland's Chief Health Inspector. According to industry contacts, such permission may not be that difficult to obtain.

Biotech labeling requirements became effective in April 2000. As a result, all products containing genetically modified organisms (GMO) must be officially approved and labeled accordingly. While the regulations were

adopted to bring Poland in line with EU directives, lack of any threshold level made Poland's regulations stricter than those in the EU. There was a great deal of concern raised by Polish industries concerning their ability to comply with the regulation. As a result, Polish officials began drafting a new law even before the current regulation was implemented. These officials expect the new law on GMOs and food to be accepted by the parliament during in June or July 2001 with the regulation to become effective as of January 1, 2002. The new regulation will establish a one percent threshold for labeling. Products exceeding the one percent must be labeled "Genetically Modified Product".

Although soybeans are imported in very limited quantities and rapeseed from Central European countries without GMO varieties, the current regulations may create problems for vegetable oil and lecithin imported for processing. Traders are required by the oil processing industry to present declarations that the products do not contain GMOs.

Soybeans PS&D Table

PSD Table						
Country	Poland					
Commodity	Oilseed, Soybean				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	0	0	0	0	0	0
Area Harvested	0	0	0	0	0	0
Beginning Stocks	0	0	0	0	0	0
Production	0	0	0	0	0	0
MY Imports	6	6	7	6	0	8
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	6	6	7	6	0	8
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Crush Dom. Consumption	4	0	5	0	0	0
Food Use Dom. Consump.	1	5	1	5	0	7
Feed,Seed,Waste Dm.Cn.	1	1	1	1	0	1
TOTAL Dom. Consumption	6	6	7	6	0	8
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	6	6	7	6	0	8
Calendar Year Imports	0	6	7	6	0	8
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Rapeseed PS&D Table

PSD Table						
Country	Poland					
Commodity	Oilseed, Rapeseed				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Planted	546	556	451	445	0	460
Area Harvested	545	545	420	437	0	450
Beginning Stocks	45	60	5	4	3	23
Production	1132	1132	950	959	0	1040
MY Imports	55	19	53	10	0	30
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	5	0	0	10	0	30
TOTAL SUPPLY	1232	1211	1008	973	3	1093
MY Exports	303	326	110	30	0	120
MY Exp. to the EC	22	22	15	30	0	30
Crush Dom. Consumption	846	800	828	835	0	865
Food Use Dom. Consump.	0	0	0	0	0	0
Feed,Seed,Waste Dm.Cn.	78	81	67	85	0	85
TOTAL Dom. Consumption	924	881	895	920	0	950
Ending Stocks	5	4	3	23	0	23
TOTAL DISTRIBUTION	1232	1211	1008	973	0	1093
Calendar Year Imports	30	23	0	30	0	30
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	35	30	0	100	0	100
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Rapeseed Export Table

Export Trade Matrix			
Country	Poland		
Commodity	Oilseed, Rapeseed		
Time period		Units:	metric tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
China	199063	Germany	13444
Mexico	71200	England	7650
Pakistan	21000	Belgium	4700
Germany	16329	Denmark	2100
India	10556	Japan	87
France	5433		
Finland	2479		
Netherlands	1150		
Belgium	5648		
Total for Others	332858		27981
Others not Listed	2283		2019
Grand Total	335141		30000

Total Oil meals

Production

Increased rapeseed production will result in a moderate increase (up 3.6%) in meal production during MY 2001/02. Oil meal production will be based almost exclusively on rapeseed. No significant oilseed imports for crushing are expected. Only 22,000 of sunflower seeds has been imported for crushing this marketing year.

There are 6 large scale crushing plants which also refine and process vegetable oil. Currently, the three largest crushing plants are controlled by foreign capital and account for well over 80 percent of Polish crushing capacity. Schooner Capital Corporation of the United States has majority ownership in two plants (Brzeg and Bodaczow) but is currently having some financial difficulties which has limited its crushing activities. Cereol Holding BV has invested in the Kruszwica plant while ADM has invested in the Szamotuly plant near Poznan.

Crushers prefer rapeseed because it is produced locally and has high oil yields. It was expected that foreign investment and demand for soybean meal and oil would encourage more soybean crushing. However, companies have chosen to become distributors of imported soybean meal and oil produced in their own facilities in other European countries.

Consumption

Total protein meal consumption is forecast at 1.45 million tons in MY 2001/02, around 9 percent higher than the current marketing year. Despite low swine inventories, the BSE and FMD crises in Europe and emergency restrictions on meat and bone meal imports, local demand for meat production should encourage demand for protein meal in Poland. Some traders estimate an increase of around 20% in demand for vegetable protein meal over a year ago.

Imported soybean meal is the major protein source in Polish feeds and usually accounts for over 70 percent of all oilmeal consumption. According to the feed industry, almost all imported soybean meal is used in poultry feeds. Locally produced rapeseed meal is used mainly in swine feed. In addition, significant amounts of protein meal are included in imported compound feeds. The current BSE crisis has resulted in restrictions in meat and bone meal (MBM) imports. Poland's annually imported around 300,000 tons of MBM. Approximately 95 percent was imported from EU countries. The ban increased demand for oilseed meals, particularly soybean meal.

Total commercial feed production increased around 3 percent in CY2000 to 4.05 million tons and is forecast to increase significantly in CY 2002. Of this total, close to 12 percent or 460,000 tons are protein concentrate feeds which are used in hog production. Increasing grain prices after the poor 2000 crop, low grain stocks and relatively less expensive commercial feeds, increased demand for commercial feed production. Additional increases are due to increased demand for poultry and swine compound feeds during CY2001.

Commercial feed production has been growing gradually in Poland since 1993 because of privatization in the industry and growing foreign investment. The industry is now 97 percent privatized. The major companies are Central Soya, Rolimpex Group (last year Central Soya become a strategic investor of that group) and Cargill. However, commercial feeds are produced in 660 feed mills of which 70 produce over 50 percent of total

commercial feeds. Central Soya, with 11 feed mills totaling roughly 1 million tons of production capacity, accounts for 20 percent of the Polish feed market. Cargill's seven feed mills account for 10 percent of the local market. Rolimpex, the largest local company, has 13 feed mills with 0.8 - 0.9 million tons capacity and 19 percent of the local market. Land O'Lakes is also actively engaged in the Polish feed market. Thanks to the new investments, quality and consistency of commercial feeds has improved which has made commercial feeds more competitive with on-farm feed production.

Trade

Although reduced demand for commercial feeds resulted in lower soybean meal import demand during early 2000, imports recovered later in the year when demand for commercial feeds increased. Restrictions on MBM significantly increased demand for imported vegetable protein meal. Estimated soybean meal imports in CY 2000, which were originally forecasted to be reduced, increased over 5% to around 900,000 tons. Soybean meal imports will grow further (around 16%) in CY 2001 and are expected to remain high in CY 2002.

Poland traditionally imported around 300,000 tons of meat and bone meal. These imports will most likely be replaced with vegetable meals. Over 30,000 tons of sunflower seed meal is also imported each year. The EU increased its market share to 93 percent of all soybean meal imported in CY 2000 from almost 90 percent in CY 1999, 68 percent in CY 1998 and 46 percent in CY 1997. Imports from Brazil and Argentina declined to only 6 percent. Less than one percent of total imports came directly from the United States. However, a significant part of meal imported from EU is produced with U.S. soybeans crushed in European crushing plants.

Significant amounts of rapeseed meal are exported each year. However, in MY 2000/01, rapeseed meal exports are expected to decline to 180,000 tons from 190,000 in the previous MY because of lower production. Assuming increased output, as a result of a moderate increase in rapeseed crushing in MY 2001/02, exports are expected to grow only slightly. Polish prices for rapeseed meal are competitive on the world market. Rapeseed meal exports are shipped exclusively to EU countries.

Note: Figures in the Trade Matrix tables are for calendar years (CY). No reliable data are available for marketing year imports. The CY 1999 trade table is based on unpublished data from the Main Statistical Office. Figures in the CY 2000 trade table figures are based on preliminary official trade data.

Stocks

Recently increased demand and import of soybean meal will result in larger accumulated meal stocks.

Policy

In accordance with its WTO commitments, Poland's final tariff reduction on protein meals for WTO members was in January 2000. Basic tariffs for soybean meal and peanut meal for CY 2001 are on the same level as they were in CY 2000. Last year, Poland reduced its tariff for soybean meal down to 3 percent for WTO members, similar soybean meal tariff reductions were practiced for the past few years. However, no reduction has been announced in 2001 despite restrictions on MBM imports. With the signing of the trade liberalization agreement with EU, all protein meals imported from the EU since January 2001 enter Poland with no tariff, of which tariffs for soybean meal were zero since the last few years. The zero tariffs apply to soybean meal, peanut meal,

sunflower meal, cotton meal and some other less important meals from countries listed as “Developing” or “Least Developed”. Also, all CEFTA countries and Lithuania and Latvia have zero import tariffs on all protein meals per bilateral agreements.

Following is a list of basic tariffs for oilseed meals for CY 2001:

Tariff No.	Description	MFN Countries	EU	DEV Count.	LDC Count.
2301.20	Fish meal,	10	0	7	0
2304	Soybean meal,	5	0	0	0
2305	Peanut meal,	5	0	0	0
2306.10	Cotton seed meal,	10	0	0	0
2306.20	Linseed meal,	10	0	0	0
2306.30	Sunflower seed meal,	10	0	0	0
2306.40	Rapeseed meal,	10	0	0	0
2306.50	Coconut meal,	10	0	0	0
2306.60	Palm meal,	10	0	0	0
2306.90	Other (Olive, Corn, Sesame),	10	0	0	0

Marketing

Ragweed, among other common weed seeds, is on the Polish quarantine list which severely restricts imports of low protein U.S. soybean meal. This restriction also complicates imports of high-protein soybean meal because USDA is unable to certify that shipments will meet Polish requirements of being 100 percent free of ragweed seeds.

EU suppliers have a significant logistical advantage and are in the best position to supply smaller deliveries by truck, rail and sea. New trading companies and newly privatized feed companies involved in the protein meal business lack the financial resources to buy large lots, and therefore favor smaller transactions with EU suppliers.

Both USDA’s GSM-102 credit guarantee and Supplier Credit Programs are available for Poland and includes coverage for protein meals. Long-term prospects for Poland’s swine and poultry industry are favorable. Improvement in meat production efficiency and quality will result in larger demand for imported protein meals. The Government is interested in promoting the expansion of poultry production, although there are no specific programs targeted at this industry other than the tariff rate quota on imported poultry meat. Pork is by far the preferred meat among Poles. However, it is likely that Polish consumers will increasingly choose poultry over other meats for health reasons.

Registration of the “Round-Up Ready” soybean in November 2000 in Poland will allow for import and use of meals produced based on such GMO soybean varieties. See the oilseed section under marketing.

Soybean Meal PS&D Table

PSD Table						
Country	Poland					
Commodity	Meal, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	4	0	5	0	0	0
Extr. Rate, 999.9999	0.75	ERR	0.8	ERR	ERR	ERR
Beginning Stocks	125	88	125	98	125	148
Production	3	0	4	0	0	0
MY Imports	875	900	975	1050	0	1100
MY Imp. from U.S.	40	1	0	40	0	40
MY Imp. from the EC	565	820	700	930	0	1000
TOTAL SUPPLY	1003	988	1104	1148	125	1248
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	878	890	979	1000	0	1100
TOTAL Dom. Consumption	878	890	979	1000	0	1100
Ending Stocks	125	98	125	148	0	148
TOTAL DISTRIBUTION	1003	988	1104	1148	0	1248
Calendar Year Imports	850	900	850	1050	0	1100
Calendar Yr Imp. U.S.	0	1	0	40	0	40
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Meal Import Table

Import Trade Matrix			
Country	Poland		
Commodity	Meal, Soybean		
Time period		Units:	metric tons
Imports for:	1999		2000
U.S.	620	U.S.	735
Others		Others	
Netherlands	348849	Netherlands	360000
Germany	245640	Germany	350000
Belgium	126170	Belgium	130000
Brazil	106573	Brazil	38740
England	12741	Argentina	16244
France	1500	Denmark	1885
Total for Others	841473		896869
Others not Listed	11368		
Grand Total	853461		897604

Rapeseed Meal PS&D Table

PSD Table						
Country	Poland					
Commodity	Meal, Rapeseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Crush	846	800	828	835	0	865
Extr. Rate, 999.9999	0.599291	0.6	0.600242	0.6	ERR	0.6
Beginning Stocks	30	30	26	24	14	45
Production	507	480	497	501	0	519
MY Imports	0	14	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	0	0	0	0	0	0
TOTAL SUPPLY	537	524	523	525	14	564
MY Exports	185	200	180	180	0	200
MY Exp. to the EC	185	195	180	180	0	200
Industrial Dom. Consum	0	0	0	0	0	0
Food Use Dom. Consump.	0	0	0	0	0	0
Feed Waste Dom. Consum	326	300	329	300	0	320
TOTAL Dom. Consumption	326	300	329	300	0	320
Ending Stocks	26	24	14	45	0	44
TOTAL DISTRIBUTION	537	524	523	525	0	564
Calendar Year Imports	0	0	0	0	0	0
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	150	190	180	180	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Rapeseed Meal Export Table

Export Trade Matrix			
Country	Poland		
Commodity	Meal, Rapeseed		
Time period		Units:	metric tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Denmark	134070	Denmark	91784
Germany	79386	Germany	56362
England	20426	England	4512
Ireland	11965	Antigua Barbuda	2251
France	4877	Ireland	1479
Spain	2200	Belgium	25
Total for Others	252924		156413
Others not Listed	112		34000
Grand Total	253036		190413

Total Oils

Production

Polish vegetable oil production in MY 2001/02 is forecast to increase slightly over MY 2000/01 because of larger domestic rapeseed crushing. Current marketing year production estimates have been revised higher due to larger crushing than originally expected. Oil production is almost exclusively based on crushing domestic rapeseed. Only a small amount, less than 20,000 tons per year, of imported sunflower seeds are crushed in small facilities. Although domestic rapeseed production was not very high in 2000, domestic supplies fulfilled domestic crushing capacities due to fewer exports in MY 2000/01.

Since 1991, increased consumption of vegetable fats by Polish consumers made the oil industry one of the three most profitable sectors in the food industry in Poland. However, the situation changed in 1997 when a lack of domestic oilseeds and higher seed prices resulted in smaller profits in 1988 and 1999. In CY 2000, the profitability of the oil industry slightly improved due to cheaper raw material. However, high domestic vegetable oil consumption levels limits further expansion and profits.

There are 8 major vegetable oil companies in Poland. All except two have their own crushing and processing facilities. The largest plants are now owned or controlled by foreign companies. Only the Warsaw Vegetable Fats Plant remains 100 percent state owned.

Crushers in Poland focus primarily on rapeseed to take advantage of the higher oil yield to produce vegetable oil for further processing into table/salad oil or margarine. Protein meal is of secondary importance to the crushing industry.

Consumption

Vegetable oil consumption grew sharply between 1990-97 approaching average EU levels. Currently, vegetable fat consumption accounts for over 60 percent of total fats consumed, while butter consumption accounts for 16 percent and lard for 24 percent. Since 1998, growth in vegetable fats consumption is rather small, related mainly to prices. In 2000, all vegetable fats became cheaper in relation to animal fats which resulted in a slight increase in consumption. It is estimated that in 2000 the average consumption level for vegetable fats was over 18 kg per capita. Household consumption of margarine and vegetable oil is estimated at 12 kg per capita in 2000. Margarine accounts for 65 percent of total vegetable fats.

As reported by Main Statistical Office, total vegetable fat production declined 4 percent in CY 2000 to 672,000 tons from 704,000 in CY 1999. Margarine production was stable at around 400,000 tons and refined oil production at 275,000 tons. No significant changes in vegetable fat production and use is forecast for MY 2001/02. Margarine is produced in seven plants in Poland. Three of the largest companies control 70% of total market share. It has been reported that the largest margarine producer in Poland, since the end of 1999, stopped using soybean oil in their production, currently paying significantly more for rapeseed oil or sunflower oil. The company may soon start a GMO-free campaign which could significantly affect soybean oil consumption in future.

There has been a growth in production and use of mixed fats. A number of vegetable oil processing plants as well as dairy plants are now offering butter with vegetable fats added. The table oil industry is less concentrated

and produced in over dozen plants of widely size of production. Due to foreign investments, the vegetable oil industry is being modernized and improving product quality. It is estimated that total current annual production capacities are 450,000 tons of margarine and 760,000 tons for oil refining.

Trade

Due to the moderate increase in domestic oil production and only some increase in demand for vegetable oils in MY 2001/02, vegetable oil imports are expected to remain stable. In MY 2001/02, soybean oil imports are forecast at around 90,000 tons. Although soybean oil prices are competitive, some companies are worried anxious that consumers concern with GMO products affect imports. Some substitution of rapeseed oil may continue to occur since rapeseed oil is more readily available. Also, sunflower oil will likely replace part of soybean oil imports, if prices are competitive.

Estimated oil imports during CY 2000 increased over 15 percent because of slightly increased demand and attractive world prices. Soybean oil imports were up 27 percent to 98,000 tons, significantly larger than previously anticipated due to competitive prices. Sunflower oil imports increased in CY 2000 by over 30% to 45,000 tons (34,000 tons in CY 1999) and palm oil imports increased 34 percent to 55,000 tons (41,000 tons in CY 1999). At the same time, high rapeseed oil prices reduced imports in CY 2000 to only 10,000 tons. Both soybean oil and rapeseed oil are imported mainly from EU and small amounts from CEFTA countries. The majority of soybean oil imports are from Germany (close to 50% of total soybean oil imports in 2000) and The Netherlands (over 20% of total soybean oil imports in 2000). The European Union is also a significant supplier of sunflower and palm oil. However, over 60 percent of sunflower oil is imported form CEFTA countries.

Note: Figures in Trade Matrix tables are for calendar years (CY). No reliable data are available for marketing year imports. The CY 1999 trade table is based on unpublished data from the Main Statistical Office. Figures in the CY 2000 trade table figures are based on preliminary official trade data.

Stocks

Oil stocks are rather small because domestic production does not meet Poland's demand for vegetable oils. No significant changes are anticipated in stock levels in MY 2001/02 .

Policy

The Polish government does not provide subsidies for oil production or processing. However, Poland's tariff policy provides some protection and encouragement for expansion of domestically produced products.

Under Poland's agreement with WTO, tariff-rate quotas for various imported vegetable oils and vegetable oil products were established. Currently, Poland is not utilizing tariff-rate quotas to restrict imports except for rapeseed. Out-of-quota import tariffs are below within-quota tariff rates. If necessary, Poland could use tariff-rate quotas for 50,000-tons of soybean oil, a 30,000-ton quota for sunflower seed oil and a 20,000-ton quota for other oils including rapeseed oil and margarine (tariff headings 1510, 1514, 1515, 1517, 1518, and 1522).

For rapeseed oil, refined peanut oil and olive oil, refined palm oil, refined coconut oil and refined palm carnal oil, applied tariffs are at the maximum allowed levels, allowed under Poland's WTO commitments. For all other oils applied tariffs are lower than the WTO bound levels. Poland is making use of a 7,400 ton tariff-rate

quota for non-refined all purpose rapeseed oil or refined rapeseed for technical use with an in-quota tariff of 35 percent under the 2001 tariff schedule. A tariff-rate quota for 600 tons of refined edible rapeseed oil is also in effect in 2001 with an in-quota tariff of 45% for bottled oil and 40% for bulk oil.

Further tariff reductions has been introduced in 2001 for CEFTA countries as well as Lithuania and Latvia. Since 2001 oil imports from these countries have zero tariff with exception for sunflower oil and rapeseed oil. With introduction of a "00" tariff agreement with EU, since January 2001 there is no tariff on imported from EU peanut oil, olive oil, refined linseed oil (for crude linseed oil tariff has been reduced to 10 percent) and for corn oil. The tariff on soybean oil for technical use had been suspended in CY 2000, however the suspension has not been introduced in 2001.

Following is a list of 2001 basic tariffs for oils:

Tariff No.	Description	MFN Countries	EU	DEV Count.	LDC Count.
1504	Fish oil 1/	5-20	5-20	0	0
1507.10	Soybean oil, crude	10	10	10	10
1507.9010	Soybean oil, ref., not for food	30	30	30	30
1507.90901	Soybean oil, ref. bottled	40	40	40	40
1507.90909	Soybean oil, ref., other than in bot.	30	30	30	30
1508.10	Peanut oil, crude	10	0	0-7	0
1508.90	Peanut oil, refined	25	0	0-17.5	0
1509	Olive oil	15	0	10.5	0
1512.11	Sunflower oil, crude 2/	10	10	10	10
1512.19	Sunflower oil, ref. 3/	30-40	30-40	30-40	30-40
1512.21	Cotton seed oil	10-20	10-20	10-20	10-20
1514	Rapeseed oil 4/	86	86	86	86
1515.11/19	Linseed oil	20	0-10	10-20	0-20
1515.21/29	Corn oil	20	0	10-20	0-20

1/ these products have zero tariff if imported from some EFTA countries, zero or reduced tariff if imported from Faroe Islands;

2/ tariff is reduced to 10 percent if imported from Hungary, Czech and Slovak Republics and Latvia and tariff is reduced to zero if imported from Lithuania and Romania;

3/ tariff is reduced to 0 percent if imported from Lithuania and Latvia and reduced to 20 percent if imported

from Hungary, Czech and Slovak Republics;

4/ tariff is zero if imported from Latvia, reduced to 10/20 percent if imported from Czech and Slovak Republics and to 15/20 percent if imported from Hungary and for refined oil reduced to 20 if imported from Romania

Marketing

GMO regulations are expected to reduce significantly soybean oil imports. According to trade contacts, importers are being asked by their customers to supply “GMO-free certificates” for imported oil. See marking section for oilseeds.

Soybean Oil PS&D Table

PSD Table						
Country	Poland					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	4	0	5	0	0	0
Extr. Rate, 999.9999	0.25	ERR	0.2	ERR	ERR	ERR
Beginning Stocks	11	16	8	14	0	14
Production	1	0	1	0	0	0
MY Imports	74	98	70	90	0	90
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	45	71	0	65	0	65
TOTAL SUPPLY	86	114	79	104	0	104
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	26	65	28	60	0	60
Food Use Dom. Consump.	52	35	51	30	0	30
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	78	100	79	90	0	90
Ending Stocks	8	14	0	14	0	14
TOTAL DISTRIBUTION	86	114	79	104	0	104
Calendar Year Imports	69	98	0	90	0	90
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Soybean Oil Import Table

PSD Table						
Country	Poland					
Commodity	Oil, Soybean				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Crush	4	0	5	0	0	0
Extr. Rate, 999.9999	0.25	ERR	0.2	ERR	ERR	ERR
Beginning Stocks	11	16	8	14	0	14
Production	1	0	1	0	0	0
MY Imports	74	98	70	90	0	90
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	45	71	0	65	0	65
TOTAL SUPPLY	86	114	79	104	0	104
MY Exports	0	0	0	0	0	0
MY Exp. to the EC	0	0	0	0	0	0
Industrial Dom. Consum	26	65	28	60	0	60
Food Use Dom. Consump.	52	35	51	30	0	30
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	78	100	79	90	0	90
Ending Stocks	8	14	0	14	0	14
TOTAL DISTRIBUTION	86	114	79	104	0	104
Calendar Year Imports	69	98	0	90	0	90
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	0	0	0	0	0	0
Calndr Yr Exp. to U.S.	0	0	0	0	0	0

Rapeseed Oil PS&D Table

PSD Table						
Country	Poland					
Commodity	Oil, Rapeseed				(1000 MT)(PERC ENT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Crush	846	800	828	835	0	865
Extr. Rate, 999.9999	0.398345	0.4	0.387681	0.4	ERR	0.4
Beginning Stocks	16	30	21	27	26	21
Production	337	320	321	334	0	346
MY Imports	34	30	45	20	0	10
MY Imp. from U.S.	0	0	0	0	0	0
MY Imp. from the EC	15	15	19	10	0	5
TOTAL SUPPLY	387	380	387	381	26	377
MY Exports	15	23	10	10	0	5
MY Exp. to the EC	7	5	3	3	0	2
Industrial Dom. Consum	306	280	301	295	0	295
Food Use Dom. Consump.	45	50	50	55	0	55
Feed Waste Dom. Consum	0	0	0	0	0	0
TOTAL Dom. Consumption	351	330	351	350	0	350
Ending Stocks	21	27	26	21	0	22
TOTAL DISTRIBUTION	387	380	387	381	0	377
Calendar Year Imports	0	10	0	20	0	10
Calendar Yr Imp. U.S.	0	0	0	0	0	0
Calendar Year Exports	30	7	0	10	0	10
Calndr Yr Exp. to U.S.	0	0	0	0	0	0